

**MINUTES**  
**LANCASTER COUNTY BOARD OF COMMISSIONERS**  
**MID-YEAR BUDGET REVIEW RETREAT**  
**LINCOLN AIRPORT BOARD ROOM**  
**THURSDAY, FEBRUARY 4, 1999**  
**8 A.M. TO NOON**

Commissioners Present: Kathy Campbell, Chair  
Bernie Heier  
Larry Hudkins  
Linda Steinman  
Bob Workman

Others Present: Kerry Eagan, Chief Administrative Aide  
Dave Kroeker, Budget & Fiscal Director  
Rod Eddings, Lincoln Independent Business  
Association liaison  
Susan Starcher, County Clerk's Office

**AGENDA ITEM**

1           **Mid-Year Budget Review - Dave Kroeker, Budget & Fiscal Director**

**a. Overview of the budget process**

Dave Kroeker, Budget and Fiscal Director, disseminated documentation pertaining to the *Mid-Year Budget Review* (Exhibit A), *Lancaster County Statistical Data* (Exhibit B) and *Total Expenditure Allocation and Allocation of Restricted Revenues and Inheritance Tax* for the Lancaster County Fiscal Year 1999 Adopted Budget (Exhibit C).

Kroeker began his presentation by giving a brief overview of the Nebraska Budget Act (see Exhibit A) and noted that there are two legislative bills regarding budget limitations. Legislative Bill (LB)1114 which restricts the amount a political subdivision can levy and LB989 which allows a 2.5 percent increase in restricted revenues and an additional one percent increase if 75 percent of the governing board votes for the additional increase.

**AGENDA ITEM**

1           **b. Mid-Year Status of Expenditure Budget**

Kroeker indicated that the Board would need to increase salaries by \$349,141 and other items by \$741,874 in order to complete the year. The total additional appropriations would be \$1,091,015.

Other areas of concern were as follows:

- 7 Additional appropriations, in the amount of \$141,571, for the Public Defender
- 7 Boarding contracts for Juvenile Court

Kroeker noted that the Mental Health Center shows a large increase, however, funding will cover the additional monies.

The General Fund, he stated, would be \$338,487 for salaries and \$296,709 for other which when compared to last year is in the correct range.

The following were briefly reviewed:

- 7 Report of Obligations versus Budget Percent of Fiscal Year Remaining
- 7 Payroll Costs compared to Budget Percent of Year Remaining
- 7 Comparison of Obligations for the First Six Months of Fiscal Year 1999 compared to Fiscal Year 1998
- 7 Comparison of Payroll Obligations for the First Six Months of Fiscal Year 1999 compared to Fiscal Year 1998

#### **c. Mid-Year Status of Revenue Budget**

Kroeker referred to a chart as shown on page 3-2 of Exhibit A and explained that revenues are not collected evenly throughout the year with the highest months for taxes being April and August.

Hudkins referred to LB271 which changed the process for taxing motor vehicles and allowed 50 percent of those fees to go to the schools, 25 percent to cities and villages and 25 percent to counties. Hudkins said his concern is that the County be made whole.

Campbell suggested a letter be drafted to Gordon Kissel, Legislative Consultant, outlining those concerns.

Kroeker stated if they retain the 25 percent the County should be made whole.

Other revenues highlighted were:

- 7 Inheritance Tax Collections
- 7 Register of Deeds Fees
- 7 Receipts and Disbursements for the Year to Date

#### **d. Other Issues**

Kroeker referred to the Building Fund Budget on page 4-1 of Exhibit A noting that it consists of the following:

- 7 Property Management Properties
  - 1. Attention Center Planning
  - 2. Attention Center Sinking Fund
  - 3. Trabert Hall
  - 4. 2200 St. Mary's
  - 5. Attention Center properties
  - 6. Other buildings
  
- 7 County-City Building & Master Plan
  - 1. Payment to Public Building Commission (Bond payment)
  - 2. Master Plan Furnishings, Technology & Security
  - 3. Half of caulking and reroofing porch of the old County-City Building
  - 4. Other projects of the Public Building Commission

Kroeker noted that Don Killeen, Property Management, has indicated they will be short \$350,000 of which the County would be responsible for \$175,000.

He also stated that the 1.7 cents levied is not adequate for the generation of the payment on the \$29,000,000 debt.

Discussion followed regarding the issuance of bonds in connection with the construction of the new juvenile detention center. Kroeker stated it was his belief that Jim Hille, Sinclair Hille Associates, had been given permission to acquire the land with the idea they would proceed with construction after land acquisition.

Steinman stated the County would generate the funds from their present resources to pay the bonds and to keep it under the lid.

The County Board, Kroeker explained, had discussed converting \$1,400,000 from Accumulating Funds to Debt Service which would make the money available immediately and would require no vote of the people. He also stated the money would be excluded from the lid because it would be considered an improvement to land and because it would be Debt Service.

Steinman stated one concern is that the Board only has ten years to accumulate the money and asked if everyone is satisfied that they would be able to cover the bond debt.

Kroeker stated he is concerned about the increased operating costs of \$2,000,000 and funding it under the lid.

Steinman stated it should take fewer staff to operate in a more efficient building.

Hudkins stated he wanted to know total operational costs and what was being constructed.

In response to a question asked by Hudkins, Kroeker stated he had prepared a calculation using 4.5 percent and an annual debt service of \$1,570,000 with a seven year pay back. To pay for the new juvenile detention center in seven years the County would need approximately \$1,500,000 a year which would cause a slight increase in the levy.

Kroeker referred to Page 4-13 in Exhibit A regarding year end fund balances from budgets and stated the County has been able to increase operating cash balances over the past couple of years.

Other issues highlighted were as follows:

- 7 Keno Collections
- 7 Keno Fund Adopted Budget for Fiscal Year 1998-1999
- 7 History of Keno Fund
- 7 Fiscal Year 1998 Transfers of Keno Funds
- 7 Fiscal Year 1996 Transfers of Keno Funds
- 7 Fiscal Year 1995 Transfers of Keno Funds
- 7 Micro Computer Purchases from Micro Computer Fund
- 7 Indigent Defense Costs
- 7 Indigent Legal Costs by Agencies
- 7 Supporting Schedule State of Bonded Indebtedness and Payment Requirements for Fiscal Year ending June 30, 1999

Kroeker stated any remaining Keno monies have been going toward the Master Plan Furnishings and Equipment, however, those monies should be available for use in other areas in the future.

Kroeker reviewed Resolution 5134 (Commissioners Information Packet) adopted in June of 1994 which set the policy and procedure for distribution of Keno funds.

Also discussed was the *Summary Analysis of Requested Budget for Data Processing*.

Campbell stated she felt the Micro Fund should be reviewed quarterly.

Kerry Eagan, Chief Administrative Officer, stated that many times those requests are for replacement of printers, etcetera.

Campbell suggested the department making the request should take the cost from their budget until the fund is reviewed at the quarter.

Eagan pointed out that it would give the Board less control over what each department purchases.

Kroeker stated he felt the Micro Fund is being used a lot due to Y2K and added that approximately \$3,400 would need to be spent in order for the Sheriff, Corrections and the Attention Center to be in compliance with Y2K. It was also noted that the Sheriff's Office would need ten new laser printer so they are compatible with other equipment and the move to the Hall of Justice and Law Enforcement Center.

Campbell requested that Bill Giovanni, Ameritas Investment Corporation, attend the juvenile issues meeting on March 2, 1999 to begin looking at figures and staffing costs.

#### **e. Five-Year Forecast**

Highlights of the five-year forecast were as follows:

- 7 No Increase in Staffing over Fiscal Year 1999 Budget Five Year Budget Forecast - Property Tax Funds Only (For Discussion Purposes Only)

Kroeker reviewed the above drawing attention to the following line items:

#### **Total General Fund Property Tax General Fund Cash Balances**

Also discussed were *Additional Requirements* (Page 5-2 of Exhibit A) as follows:

- 7 Rent for move to Hall of Justice for Fiscal Year 1999-2000 will be a \$292,000 impact for 1999-2000
- 7 Secure Entrance to Hall of Justice will be approximately \$226,000 for a full year
- 7 Debt Service for the new juvenile detention center will be \$1,527,000 for 1999-2000
- 7 \$165,000 for the County's share of the Public Building Commission Debt Service Shortfall
- 7 \$175,000 for the County's share of the Master Plan Shortfall Phase II
- 7 \$200,000 for operating costs for the new juvenile detention center

Kroeker cautioned that the Board needs to look at the new juvenile detention center operating costs carefully.

7 Public Building Commission Debt Service Requirement on General Obligation Bonds Series 1996

Kroeker stated there was a shortfall of \$270,000 for the Public Building Commission, however, if the LB in connection with motor vehicles is approved the shortfall should go away.

**f. Letters from Agencies**

Register of Deeds

Kroeker stated Register of Deeds is requesting three positions. Current cost is \$30,000 for all three full-time employees (FTE's) with next year's cost being \$85,000.

Steinman stated she would support making the temporary position permanent, however, she could not support the other two positions.

Hudkins disagreed.

County Assessor

Kroeker stated the County Assessor is requesting one full-time employee in Geographic Information Systems at a cost of \$38,000 next year with the total being \$50,000 which includes a one time start up cost.

Election Commissioner

No FTE's were requested, however, a request for the purchase of a new scanner, in the amount of \$3,000, was submitted.

Kroeker noted if there is a special election in connection with Lincoln Public Schools the Election Commissioner will be over budget by \$80,000, however, they would be reimbursed by LPS.

Kroeker recommended the Board approve the request for a scanner.

Clerk of the District Court

Kroeker referred to a letter from Kelly Moore Guenzel Handlos, Clerk of the District Court, requesting \$76,391.38. A large amount of the dollars requested, he said, was for paying temporary staff salaries.

Board consensus to approve \$29,000 for salaries and \$47,000 for temporary services and noted that next year there should be no temporary overtime.

Kroeker recommended that the Board hold the requests from the Register of Deeds, Public Defender, Community Mental Health Center and the Sheriff for more information.

Workman suggested the following:

1. Review of the County's allocation to the Planning Department
2. Television for the County Board office
3. Upgrading of computers in the County Board's offices

Campbell suggested that Kerry Eagan, Chief Administrative Officer, assess the Commissioners' computers with a report back to the Board in one month.

The Chair recessed the meeting at 12 p.m.

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Bruce Medcalf  
County Clerk